48.7 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Council. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 15 is a listing of undrawn facilities that the municipality has at its disposal to further reduce liquidity risk.

Liquidity and Interest Risk Tables

The tables (note 48.7) following note 58 detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The table includes both interest and principal cash flows.

48.8 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality.

Potential concentrations of credit risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for doubtful debt.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at balance sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Except as detailed in the following table, the carrying amount of financial assets recorded in the Annual Financial Statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

	KOUGA LOCAL M	UNICIPALITY
	2010	2009
	R	R
Fixed Deposit Investments		15 949 847
Long-term Receivables	660 269	417 345
Consumer Debtors	64 546 231	44 450 678
Other Debtors	7 731 830	15 634 413
Short-term Investment Deposits	40 955 250	47 503 350
Bank and Cash Balances	8 960	8 960
Maximum Credit and Interest Risk Exposure	113 902 540	123 964 594

49 MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION

Kouga Municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.

These funds are governed by the Pension Funds Act, and include both defined benefit and defined contribution schemes.

Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:

- The assets of each fund are held in one portfolio; these assets are not nationally allocated to each of the participating employers.
- One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- The same rate of contributions applies to all participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

Contributions made by the municipality amounted to R 13.66 million (2009: R 10.18 million) to the defined benefit and defined contribution structures and were expensed as incurred during the year under review.

These schemes are subject to a tri-annual, bi-annual or annual actuarial valuation, as set out below.

DEFINED BENEFIT SCHEMES

Cape Joint Pension Fund

The Cape Joint Pension Fund operates both as a defined benefit and defined contribution scheme.

The Defined Benefit section of the fund is a multi-employer plan, and the contribution rate payable is 27%, 9% by the members, and 18% by Council.

The last valuation performed for the year ended 30 June 2009 (30 June 2008) revealed that the fund had an actuarial surplus of R0.00 (30 June 2008: R 182,73 million) with a funding level of 100% (30 June 2008: 106.5 %) and a solvency reserve with a closing balance of R200,6 million (30 June 2008: R0.0). The fund was certified as being in a sound financial condition as at 30 June 2009 by the actuary.

SALA Pension Fund

The contribution rate paid by the members (8.6%) and their councils (20.78%) is sufficient to fund the benefits accruing from the fund in future. The 1 July 2009 actuarial valuation of SALA pension Fund valuation results showed that the fund had a surplus of R 2,642 million (1 July 2007: R 558,4 million) with a funding level of 96% (1 July 2006: 110%). The funding level has decreased from 110% to 96% at the previous valuation date mainly due to the low investment returns earned since that date. Although the Fund is less than 100% funded at the valuation date no additional action is required at this stage to rectify the situation.

DEFINED CONTRIBUTION SCHEMES

Cape Joint Pension Fund

The Cape Joint Pension Fund operates both as a defined benefit and defined contribution scheme.

This scheme was established to accommodate the unique characteristics of contract employees and 'cost to company' employees. All existing members were given the option to transfer to the defined contribution plan before 1 July 2003. The actuary report certified that the structure of the assets is appropriate relative to the nature of the liabilities, assuming a smoothed bonus philosophy, and given normal circumstances.

The fund was certified as being in a sound financial condition as at 30 June 2009 by the actuary. The statutory valuation performed as at 30 June 2009 (30 June 2008) revealed that the investment reserve of the fund amounted to R1,171 million (30 June 2008: R12,033 million) with a funding level of 100.3% (30 June 2008: 103.3%).

Cape Joint Retirement Fund

The contribution rate paid by the members (9%) and their councils (18%) is sufficient to fund the benefits accruing from the fund in future. The last valuation performed for the year ended 30 June 2009 (30 June 2008) revealed that the fund had an actuarial surplus of R 119,949 million (30 June 2008: R 42,93 million) with a funding level of 131.9% (30 June 2008: 112.20 %). The fund was certified as being in a sound financial position as at 30 June 2009.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Municipal Councillors' Pension Fund

The Municipal Councillors' Pension Fund operates as a defined contribution scheme. The contribution rate paid by the member (28,75%) is sufficient to fund the benefits accruing from the fund in the future.

The last actuarial valuation of the fund was undertaken at 30 June 2006, and the actuary reported that the fund was as a whole in a sound financial position, with a funding level of 106.5%. The next statutory actuarial valuation as at 30 June 2009, was due in June 2010 but an extension has been granted until 31 December 2010.

National Fund for Municipal Workers

The above mentioned fund is a defined contribution Fund and according to Regulation 2 of the Pension Funds Act no 24 of 1956 exempt from the provisions of sections 9A and 16 of the Act. The contribution rate paid by the members is 9.00 % and by the council is 18.00 %.

The latest voluntary valuation was done as at 01 July 2008 (1 July 2007). As at 01 July 2008 the results state that the way the benefits are structured in the rules, the fund is limited to an amount equal to the accumulation of all the contributions plus investment returns less administration costs. The NFMW Retirement Fund does not have any reserve accounts or surpluses which could be allocated to members Fund records.

The last valuation performed revealed that the fund had a deficit of R6,3million (1 July 2007: surplus R9,5 million), with a funding level of 99.8% (1 July 2007: 100.3%).

The retirement and pension funds are both defined contribution schemes. The last voluntary actuarial valuation of the fund was performed as at 01 July 2007. As at 01 July 2007, the results state that the way the benefits are structured in the rules, the fund is limited to an amount equal to the accumulation of all the contributions, plus investment returns, less administration costs.

South African Municipal Workers Union National Provident Fund

The contribution rate paid by the members (7.5%) and their councils (18%) is sufficient to fund the benefits accruing from the fund in future. The SAMWU National Provident Fund is a defined contribution scheme. The last actuarial valuation of the fund was performed at 30 June 2005 and revealed an investment smoothing reserve of R24,518 million with a funding level of 100%, and was certified as being in a financially sound position. The next statutory valuation was due on 30 June 2008, but is still in process.

Sanlam Provident Fund

The Sanlam Provident Fund is a defined contribution Fund.

The contribution rate paid by the members (9%) and their councils (18%) is sufficient to fund the benefits accruing from the fund in future. The pensions paid from the fund are fully secured through annuity policies purchased from insurers and owned by the Member.

All liabilities of the Fund, to the extent that they exceeded the value of the member's individual accounts were fully underwritten by one or more registered insurers.

In terms of section 2(5)(a) of the Act, the EC 108 Provident Fund is exempted from the provisions of sections 9A and 16 of the Act. This Exemption will expire on 1 July 2010.

According to the Valuator Certificate in support of renewal of Valuation Exemption, on 01 July 2007, the assets are suitable considering the liabilities of the fund.

None of the above mentioned plans are state plans.

50 RELATED PARTY TRANSACTIONS

50.1 Related party relationships:

	Ward	Surname	Initials
Councillors:	1	Rheeder	В
	2	Dennis	R
	3	Botha	N
	4	Rollison	В
	5	Camealio - Benjamin	V
	6	Oliphant	P
	7	Lloyd	F
	8	Ungerer	M
	9	Tshume	M
	10	Mbandana	G
	Proportional	Diomo	· M
	Proportional	Stuurman	V
	Proportional	Felix	K
	Proportional	Maseti	Α
	Proportional	Cawood	C
	Proportional	August	C
	Proportional	Smith	D
	Proportional	Njela	C
	Proportional	van Eeden	M
	Proportional	Cloete	F
D.		Surname	Initials
Directors:	Municipal Manager	Rankwana	E
	Chief Financial officer	Abdullah	R
	Director Corporate Services & HR	Simanga	L
	Director Technical Services	Oosthuizen (Acting)	E
		Marais (Acting)	Α
	Director Strategic Planning	Ngcayisa	J.M.
	Director Community Services	Mosiane (Acting)	P
	Director Planning and Development	Olivier (Acting)	E
Municipal Entities:	Kouga Development Agency		

During the year the municipality rendered services to the following parties that are related to the municipality as indicated:

.2 Related Party Transactions			Rates	Service charges	Other	Outstanding balances
Year ended 30 June 2010						
Councillors, Municipal Manager &	Section 57 Personn	el _	58 624	167 510	2 712	297 528
The following entities are under Kouga Development Agency	the control of coun	cillors:				
Municipal Manager & Councillors:						
Executive Mayor	DENNIS	R	4 020	12 278		23 487
Speaker	DLOMO	M	1	9 668	3 069	38 244
Ex-Co Memb.: Technical & Planning	LLOYD	FR	3	1 939	3 009	23 965
Ex-Co Memb.:Community Services	STUURMAN	VS	1 045	9 581	-	31 821
Ex-Co Memb.:Corporate & HR&ESD	FELIX	KS	1 0 1 5	<i>J</i> 361	-	24 421
Ex-Co Memb.:Finance	MASETI	AT	_	2 139	-	2795
Councillor: Ward 5-Chief Whip	C-BENJAMIN	VA	_	4 574	•	2 151
Councillor: PR	SMITH	FD	3 380	5 491	•	1 027
Councillor : PR	CLOETE	SJ	3 943	12 015	(357)	1 027
Councillor : PR	CAWOOD	J	14 480	22 446	(337)	33 269
Councillor: Ward I	RHEEDER	BF	8 768	10 079	•	20 845
Councillor: Ward 9	TSHUME	KM	-	10 075	-	24 421
Councillor : PR	AUGUST	C	981	12 561	-	28 316
Councillor: Ward 8	UNGERER	M	4 540	10 822	-	15 256
Councillor: PR	NJELA	CI		10 022	-	205
Councillor: Ward 4	ROLLISON	R	754	8 210	_	2 600
Councillor : PR	VAN EEDEN	MR	-	0210	_	12 5 1 5
Councillor: Ward 6	OLIPHANT	PJ	2 991	14 148	-	10 201
Section 57 Personnel;						
Director: Finance (CFO)	ABDULLAH	MR	514	4 497	_	10
Director: HR & ESD	NGCAYISA	JM	5 574	10 268	· -	955
Municipal Manager	RANKWANA	EM	4 655	14 265		,,,,
Director: Planning & Develop.	DENNIS	FP	2975	2 528	-	-
		_	58 624	167 510	2 712	297 528

The rates, service charges and other charges are in accordance with approved tariffs that was advertised to the public. No bad debt expenses had been

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Kouga Local Municipality: Year ended 30 June 2009

Councillors, Municipal Manager &	Section 57 Person	nel =	48 758	87 363	105 913	320 54
The following entities are under	the control of cour	icillors:				
Kouga Development Agency				7 969		_
Kouga Cultural Centre			_	15 767		
Municipal Manager & Councillors:						
Executive Mayor	DENNIS	R	2 517	0.200	2000	0.00
Speaker	DLOMO	M	2317	9 289	8 256	25 38
Ex-Co Memb.:Technical&Planning	LLOYD	FR	485	4 615	17 329	39 46
Ex-Co Memb.:Community Services	STUURMAN	VS	485 161	1 990	12 232	27 46
Ex-Co Memb.:Corporate & HR&ESD	FELIX	KS	101	8 160	12 099	28 87
Ex-Co Memb.:Finance	MASETI	AT	-	-0	12 099	26 93
Councillor: Ward 5-Chief Whip	C-BENJAMIN	VA	•	-	•	-
Councillor : PR	SMITH	FD	3 560		-	-
Councillor : PR	CLOETE	SJ	4 781	7 392	-2 643	3 571
Councillor : PR	CAWOOD	J	4 /01	10 437	14 760	11 683
Councillor: Ward I	RHEEDER	BF	9 576	0.164	16 778	42 427
Councillor: Ward 9	TSHUME	KM	9 3/0	9 164 -0	12 099	27 911
Councillor: PR	AUGUST	C	4 696	1 757	12 099	26 939
Councillor: Ward 8	UNGERER	M	6 798	8 556	-9 197	30 290
Councillor: Ward 3	BOTHA	NS	0 776	9 300	•	16 759
Councillor: Ward 10	MBANDANA	MG		-	•	~
Councillor : PR	NJELA	CJ		•	•	•
Councillor: Ward 6	SWEPU	MS		•	•	-
Councillor: Ward 4	ROLLISON	R	1 573	6 040	·	3 963
Councillor : PR	VAN EEDEN	MR	-	-	•	3 703
ection 57 Personnel:						
irector: Community Services	MXUBE	LPR				_
irector: Corporate Services	SIMANGA	L	•		-	_
irector : HR & ESD	NGCAYISA	JM	5 000	8 639	-	3 740
lunicipal Manager	RANKWANA	EM	6 067	11 297	-	5 144
irector: Planning & Develop.	DENNIS	FP	3 543	29		- 144
-			48 758	87 363	105 913	320 554

50.3 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are no longer permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 16 to the Annual Financial Statements.

50.4 Compensation of key management personnel

The compensation of key management personnel is set out in notes 31 and 32 to the Annual Financial Statements.

Remuneration of the family of key management personnel and councillors that are employed at the municipality:

Directors	Names	Family Member	Department	Relationship	Remuneration
Human Resources and Economic Social Development	& J.M. Ngcayisa	K. Ngcayisa	Technical Services	Cousin	72 396
Human Resources and Economic Social Development	& J.M. Ngcayisa	M. Ngcayisa	Comm. Services	Cousin	204 108
Planning and Development	F.P. Dennis	R. Dennis	Council (Mayor)	Cousin	589 248
Managers	Names	Family Member	Department	Relationship	Remuneration
Admin	C. Dreyer	P. Dreyer	Comm. Services	Husband	194 571
Expenditure	L. Jenneker	M. Jenneker	Comm. Services	Daughter	91 632
Housing	E. Olivier	L. Titus	Health	Sister	100 596
Cleaning & Parks	E. de Lange	E. de Lange	Secretary, Councillor Rollison	Daughter	39 060
		H. Mintoor	Comm. Services	Cousin	167 352
		N. Baartman	Finance	Daughter	104 808
		N. Marais	Caravan Park	Wifc	116 472
			Technical Services	Son	124 560
			Finance	Daughter	219 840
		E. Madatt	Comm. Services	Cousin	204 108
Supply Chain Management	C. Groenewald	A. Groenewald	Social Development	Mother	298 248
Councillors	Names	Family Member	Department	Relationship	Remuneration
Ward 2	R. Dennis	F. Dennis	Town Planning	Cousin	832 693
Ward 6	P. Oliphant	D. Oliphant	Comm. Services	Wife	140 748
Ward 7	F. Lloyd	K. Lloyd	Comm. Services	Cousin	63 672
Ward 7	F. Lloyd	W. Lloyd	Technical Services	Cousin	61 968
	M. Tshume	E. Tshume	Technical Services	Cousin	75 792
	M. Tshume	S. Tshume	Finance	Cousin	106 956
	M. Tshume	Z. Tshume	Finance	Sister in Law	140 748
=		E. Stuurman	Comm. Services		63 672
Proportional	K. Felix	A. Petrus	Finance	Cousin	155 340
	Human Resources and Economic Social Development Human Resources and Economic Social Development Planning and Development Managers Admin Expenditure Housing Cleaning & Parks Health Protection Services Electricity Electricity Social Development Area Engineer: Jbay (Elec) Supply Chain Management Councillors Ward 2 Ward 6 Ward 7	Human Resources and Economic & J.M. Ngcayisa Social Development Human Resources and Economic & J.M. Ngcayisa Social Development Planning and Development Managers Managers Names Admin C. Dreyer Expenditure L. Jenneker Housing Cleaning & Parks E. de Lange Health Protection Services Electricity Electricity A. Marais Electricity A. Marais Social Development Area Engineer: Jbay (Elec) Supply Chain Management Councillors Names Ward 2 R. Dennis Councillors Names R. Dennis Names R. Dennis P. Oliphant C. Groenewald F. Lloyd Ward 7 F. Lloyd Ward 7 Ward 9 M. Tshume Ward 9 M. Tshume Ward 9 M. Tshume Ward 9 M. Tshume Ward 9 Proportional	Human Resources and Economic & J.M. Ngcayisa Social Development Human Resources and Economic & J.M. Ngcayisa M. Ngcayisa Social Development Planning and Development Managers Names Family Member Admin C. Dreyer Expenditure L. Jenneker Housing Cleaning & Parks E. de Lange Health R. Mintoor Protection Services S. Baartman N. Baartman N. Marais Electricity A. Marais Electricity A. Marais Social Development A. Groenewald Area Engineer: Jbay (Elec) Supply Chain Management Councillors Names Family Member R. Mintoor H. Mintoor H. Mintoor H. Mintoor H. Marais R. Mintoor R. Dennis R.	Human Resources and Economic & J.M. Ngcayisa K. Ngcayisa Technical Services Social Development Human Resources and Economic & J.M. Ngcayisa M. Ngcayisa Comm. Services Social Development F.P. Dennis R. Dennis Council (Mayor) Managers	Human Resources and Economic & J.M. Ngcayisa Social Development Human Resources and Economic & J.M. Ngcayisa Social Development Human Resources and Economic & J.M. Ngcayisa Social Development Planning and Development Planning and Development F.P. Dennis R. Dennis Council (Mayor) Cousin Managers Names Family Member Department Relationship Admin C. Dreyer P. Dreyer Comm. Services Husband Expenditure L. Jenneker Housing E. Olivier L. Titus Health Sister Cleaning & Parks E. de Lange E. de Lange E. de Lange E. de Lange Councillor Rollison Councillor Rollison Councillor Rollison Councillor Rollison N. Baartman N. Baartman N. Baartman Finance Daughter Electricity A. Marais N. Marais N. Marais Caravan Park Wife Electricity A. Marais B. Marais Technical Services Son Daughter Caravan Park Wife Caravan Park Wife Caravan Daughter Councillor Rollison Cousin N. Marais N. Marais Technical Services Son Daughter Caravan Park Wife Councillor Rollison Cousin Cousin A. Marais R. Mintoor Councillor Rollison Cousin Cousin Marais N. Marais R.

50.5 Transactions with close family members of persons in the service of the state

The municipality traded with the following companies and individuals, which are considered to be Related Parties:

Company	Kouga employee	Department	Relation of Kouga employee to company owner/(s	Designation (Amount of award R
DJ Enterprises	L. Jenneker	Finance	Wife	Manager Expenditure	97 650
Do it All Constuction		Finance	Wife	Manager Expenditure	112 504
Lippert Cabinets C & A Cabinets	C. Lippert	Finance Finance	Wife Mother	EQS/ Admin	4 950 61 357
Owen Jeggels Tiling	L. Jeggels	Finance	Wife	PA: Director Finance	52 880
Jeggels media services	L. Jeggels	Finance	Sister in law	PA: Director Finance	NONE
Delevex 754 CC	J. Savage ET Savage	Finance Tech: Water & Sew	Sister In law Brother	Ass: Acc Income SNR Foreman: Water	334 256
GW Projects	J. Savage ET Savage	Finance Tech: Water & Sew	Sister In law Brother	Ass: Acc Income SNR Foreman: Water	49 118
Calandria 142 CC t/a NA Loodgieters	ET Savage	Tech: Water & Sew	Brother	Snr Foreman: Water	143 930
Central Bridge Trading Winternight Investment 340	Zoleka Tshume Zoleka Tshume	Finance Finance	Wife Wife	Creditor Clerk Creditor Clerk	NONE 75 274
Meleni T Nowaix Trading	S. Meleni S. Meleni	Corporate Services Corporate Services	Wife Wife	Library Ass: J-bay Library Ass: J-bay	23 585 3 550
Lukabash Trading Enterprise	J. Ngayisa	HR	Husband	Dir: Strategic Services	4 440
Gomez HP	Elsa Gomez	Technical Services	Wife	PA: Dir: Technical Sen	NONE
Cyclone Couriers	E. vd Merwe	Plan & Development	Wife	Senior Clerk	866
Symmington Jacques	Elsa Symmington	Finance		Ass Acc: Creditors	
Glorias catering	M. Rosseauw	Finance		Ass Acc: Creditors Ass Acc: Payroll	21 550
WJJ Gysman t/a JJ Builders	M. Gysman	Corporate			34 450
BG Le Grange Surveys/ Jbay Wipes	G. Le Grange	Plan & Developm.		Admin officer: Estates Building Inpector	17 176 79 618
W. Tengo Trust Project Trading	NC. Tengo	Corporate	Wife I	Housekeeping Staff	28 323
Kouga Loo Cleansing & Transport	R. Mintoor	Community: Healti	Brother S	nr Env. Health Off	NONE
Booi Koerat Utilities	C. Koerat	Finance 1	Daughter F	leconciliation Clerk	62 000

The transactions were concluded in full compliance with the municipality's Supply Chain Management

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

50.6 Other related party transactions

50.8 Interest in Joint ventures

Kouga Development Agency

St Francis Beach Trust (Also refer to note 53 below)

The Trust is a public benefit organization which has been established for the specific purpose of achieving the rehabilitation of the St Francis Bay beach including the construction of offshore submerged reefs and the ongoing dredging of the Kromme River estuary, together with other related activities for the benefit of the wider St Francis Bay community.

The municipality has expressed its support for the above Project via the Trust, and is willing to support the Trust to acquire external finance of R 30 million from INCA (Infrastructure Finance Corporation Limited) by providing security in the form of a dedicated revenue stream through the medium of a beach levy to be determined in terms of the relevant legislation.

50.7 Entities under the control of management or councillors

Designation	Surname	Official Initials	Entity
Executive Mayor	Dennis	R. H.	Cpad Fisheries (Pty) Ltd Policlinic Jeffreys Bay(Pty) Ltd
Speaker	Dlomo	M.	Summer Sun Trading 195 (Pty) Ltd
Councillor	Stuurman	V.S.	Sweet Breeze Investment (Pty) Ltd Island House Trading 115(Pty) Ltd Taking A Chance Trading CC
Councillor	Njela	C.J.	Escalators Investment CC
Councillor	Rollison	R.	Ilifu Trading 166 CC
Councillor	Tshume	KM	Sifikile Fishing CC Tshume and Smit Transport (Pty) Ltd
Councillor	Oliphant	РЈ	Mfv Helena Marie Vessel Company (Pty) Ltd Ndlovu Fishing CC Siyanda Industrial Painting CC
Manager IT	Duvenage	D	Marlyn Homes CC
Manager: Budget & Treasury	Abrahams	S	Es and Ba Trading CC
Manager: HR(Acting Dir: Comm Serv)	Mosiane	PE	Limakatso Miracle Trading CC
Manager: IDP	Woni	Т	Dontchemistry Training and Suppliers CC Sindwezama Fishing (Pty) Ltd
Manager:LED	Strydom	CR	Erf 1303 Jeffreysbaai CC Seafront Restaurant CC Waterkant 1298 CC Gedeelte 10 Erf 384 linden-uitbreiding CC
Manager: Environmental Services	Machelesi	N	St. Francis Bay Historical Fishiong Corporation CC Malewatle General Trading (Pty) Ltd
	Blouw	NV	Ithemba Labafazi Investments(Pty) Ltd Majormatic 115 Pty Ltd
R Enteract in Laint vanturas			% Holding % Holding

2010

50%

2009

50%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

51 IN-KIND DONATIONS AND ASSISTANCE

No in-kind donations and assistance were received.

52 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year 2009/2010.

53 EVENTS AFTER THE REPORTING DATE

St Francis Beach Trust (Also refer to note 50.6 above)

It is the intention of the municipality to withdraw its financial support from both the financial institution and the trust.

54 COMPARISON WITH THE BUDGET

The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexure "E (1) and E (2)".

55 COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of prior period errors (note 39).

56 CHANGE IN ESTIMATES

56.1 Provision for the rehabilitation of Land-fill Sites

The discount rate used is annually adjusted based on the average borrowing cost calculated for Kouga Municipality. The cost factors derived from the study have been applied and projected at an annual inflation rate of 7% (2009: 7%) and discounted to present value at a rate of 10% (2009: 11%).

Effect in the current period:

If the same rate (11%) that was utilised in 2009 was applied in the current year, to discount future rehabilitation cost to its net present value, the current year's expenditure would have been R 1,048,041 less and accumulated surplus as at 30 June 2010 would have been more with the same amount.

Effect in future periods:

The amount of the effect of the change in estimate in future periods is not disclosed because estimating it is impracticable.

56.2 Provision for environmental clean-ups

The discount rate used is annually adjusted based on the average borrowing cost calculated for Kouga Municipality. The cost factors derived from the study have been applied and projected at an annual inflation rate of 7% (2009: 7%) and discounted to present value at a rate of 10% (2009: 11%).

Effect in the current period:

If the same rate (11%) that was utilised in 2009 was applied in the current year, to discount future rehabilitation cost to its net present value, the current year's expenditure would have been R 9,740 less and accumulated surplus as at 30 June 2010 would have been more with the same amount.

Effect in future periods:

The amount of the effect of the change in estimate in future periods is not disclosed because estimating it is impracticable.

57 STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED

At the date of authorisation of these financial statements the municipality has not applied the following GRAP standards that have been issued but are not yet effective:

Standard & Description GRAP - 18 Segment Reporting	Effective date
Information to a large extent is already included in Appendix D of the annual financial statements. When the Standard becomes	Unknown
effective the information will form part of the audited financial statements.	
GRAP 21 - Impairment of non-cash-generating assets	Unknown
The municipality complies with IPSAS 21 which forms part of the GRAP Framework in terms of Directive 5. Minimal adjustments will be required to the financial statements.	
GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008	Unknown
GRAP 24 - Presentation of Budget Information in Financial Statements	Unknown
Information to a large extent is already included in Appendix E(1) and E(2) of the annual financial statements. When the Standard becomes effective the information will form part of the audited financial statements.	
GRAP 25 Employee Benefits - issued December 2009	Unknown
GRAP 26 - Impairment of cash-generating assets	Unknown
The municipality complies with IAS 36 which forms part of the GRAP Framework in terms of Directive 5. Minimal adjustments will be required to the financial statements.	
GRAP 103 Heritage Assets	Unknown
No adjustments will be necessary other than a separate line item in the Statement of Financial Position and the transfer of the values from property, plant and equipment.	0,,,,,,
GRAP 104 Financial Instruments – issued October 2009	Unknown

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance. This date is not currently available.

58 BULK ELECTRICITY AND WATER LOSSES IN TERMS OF THE MFMA SECTION 125 (2)(d)(i)

Material water and electricity losses during the year under review were as follows and are not recoverable.

Electricity:

Purchased during the year Sold during the year Unaccounted Normal distribution losses - (8%) of	electricity purchases		-	180 207 579 (156 788 057) 23 419 522 (14 416 606)	units (kWh) units (kWh) units (kWh) units (kWh)
Loss	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			9 002 916	units (kWh)
Loss %			-	5.00%	
Loss (R):			_	2 574 965	
Calculated as follows:	<u>%</u>	Lost units	<u>Tariff</u>	Value ®	
	100.00	9 002 916	@	2 574 965	
DOMESTIC	44.94	4 046 152	0.3580	1 448 523	
COMMERCIAL	21.63	1 947 369	0.3110	605 632	
BULK	19.15	1 724 101	0.1610	277 580	
OFF PEAK	4.87	438 149	0.0994	43 531	
PEAK	3.39	304 940	0.3575	109 016	
STANDARD	6.02	542 204	0.1673	90 684	

Electricity losses occur due to *inter alia*, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections. The municipality is currently busy with an audit of bulk meters to find faulty meters and repair them. The problem with tampered meters and illegal connection is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

Water:	Lost units	<u>Tariff</u>	Value ®
Unaccounted water:	2 745 905	2.61	7 166 812

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 KOUGA LOCAL MUNICIPALITY

Liquidity Risk Management (refer to note 47)

Liquidity and Interest Risk Tables

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The table includes both interest and principal cash flows.

4	Note	Loan	Average		6 Months	6-12	,		
Description	ref in	Number	effective	Total		77 - 0	7-1	2 - 5	More than
	AFS		Interest Rate		or less	Months	Veare	Voors	į
	# :		%	R	×	R	R	V CSI S	5 Years
30 June 2010									4
Non-interest Bearing				52 818 906	70 818 006			_	
- Creditors	00			45 702 700	006 010 70	•	•	1	•
- Consumer Deposits				7 035 217	7 035 217	1	1	-	-
Variable Interest Rate Instruments				527.024	117 550 /	•	-	•	•
- Weshank - sewerage trucks				337 034	205 539	105 144	93 884	3 105	
- Weshank - P.O.S.		333	14.00%	146 486	120 692	25 794			
Worker!		534	15.41%	129 361				•	1
Wesbank - F.O.S		535	14.49%	5 822	5 822		•	1	•
Westank - Health		536	14.00%	34 533	15 638	15 063	- 1000	•	•
- wespank - Health		537	14.00%	31 707	15 670	15 670	2931	1	1
- Wesbank		547	14.00%	189 126	10.00	0/9 CT	366	•	•
Fixed Interest Rate Instruments				760 707 071	/1/ /4	47717	90 286	3 105	1
- Absa		\$28	14 500%	760 007 001	10 893 353	9 139 317	15 761 486	49 174 735	006 968 69
- ASDR		513	14.26%	164 919	10 885	11 638	25 687	77 061	50 648
- DBSA		145	12,000,01	158 75	12 240	10 291	10 306	•	
- DBSA		145	12.00%		425 620	425 620	851 240	2 553 720	574 045
- DBSA		147	12.00%	1 207 578	68 838	68 838	137 675	413 026	510 202
- DBSA (LALF)		147	12,00%	2 343 659	212 681	212 681	425 362	1 276 086	212 202
- DBSA (LALF)		463	15.22%	455 435	13 989	13 989	27 978	83 034	210 040
- DBSA (LALF)		469	15.22%	558 835	5 589	5 589	11 178	33 535	502 040
		490	15.22%	557 280	22 087	22 087	44 175	132 525	302 942
								676 761	230 400

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 KOUGA LOCAL MUNICIPALITY

Liquidity Risk Management (continued)

te Total or less Months Years 2 - 5 Mc 40 511 1 201 1 201 2 402 7 205 5 393 484 5 238 10 477 31 430 7 205 5 40 511 1 201 1 201 2 402 7 205 5 42 831 5 233 5 288 10 477 31 430 6 42 831 2 233 2 233 4 465 13 396 6 626 839 2 233 2 233 4 465 13 396 6 626 839 2 233 2 233 4 465 13 396 6 626 839 2 233 4 465 13 396 6678 13 396 143 307 147 68 13 396 143 307 147 100 143 307 144 100 144 100 144 100 144 100 144 10 144 10 144 10 144 10 144 10 144 10 144 10 144 10 144 10 144 10 144 10 144 10 144 10 144 10 144 10 144 10 <th></th> <th>Note</th> <th>Loan</th> <th>Average</th> <th></th> <th>6 Months</th> <th></th> <th></th> <th></th> <th></th>		Note	Loan	Average		6 Months				
AFS	Description	ref in	Number	effective	Total	e manage de la companya de la compan	71-0	1-2	1	More than
(LALF) (L		AFS		Interest Rate		or less	Months	Veare	200	;
(LALF)		#		%	R	æ	R	2	rears	5 Years
(LALF) (LALF) (LALF) (LALF) (LALF) (LALF) (AALF) (A	- DBSA (LALF)		707					1		¥
(LALF) 494 15.72% 393 484 5 528 16 477 16 679 18 81 10 00 75 10 0	- DBSA (TALE)		764	15.22%	40 511	1 201	1 201	2 402	300.7	000
LALE 495 15.77% 425.378 16.679 16.679 31.343 19.075 16.674 16.675 16.67	DBC (LATE)		494	15.22%	393 484	5 238	5 238	101 01	507 /	108 202
(LALF) 496 15.77% 42.851 2.07, 10.073 35.38 100.075 (LALF) 499 13.46% 626.839 2.988 2.938 1.90 73 13.36	- DBSA (LALF)		495	15.77%	225 378	16 670	027 51	104//	31 430	341 100
(LALF) 498 13.46% 493 493 6.484 6.484 6.484 12.346 13.346% 493 13.46% 626.839 6.253 4.465 13.396 13.396 13.396 14.06 13.396 14.06 13.396 14.06 13.396 14.06	- DBSA (LALF)		496	15.77%	42.851	1001	6/9 91	33 358	100 075	58 586
(LALF) 499 13.46% 678 53 53 9.88 2.988 12.968 13.905 14.397 14.399 14.35% 15.00% 16.19% 13.31 248 111313 24.511 49.076 143.927 14.397 14.40.037	- DBSA (LALF)		498	13.46%	100 27	2 233	2 233	4 465	13 396	20 525
(LALF) 501 13-740 626 834 23 988 47 976 143 927 (LALF) 502 16.19% 1331 248 111 313 111 313 111 313 111 313 114 068 17 068 17 068 17 068 17 068 17 068 17 068 17 068 17 068 17 068 18 069 <td>- DBSA (LALF)</td> <td></td> <td>400</td> <td>13.46%</td> <td>493 339</td> <td>6 484</td> <td>6 484</td> <td>12 968</td> <td>38 905</td> <td>428 408</td>	- DBSA (LALF)		400	13.46%	493 339	6 484	6 484	12 968	38 905	428 408
(LALF) 502 18.48 17.75% 18.84 17.75% 18.48 17.75% 18.48 17.75% 18.48 17.75% 18.48 17.75% 18.49% 18.48 17.75% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.11 13.3 22.26.25 667 876 18.19% 18.19% 18.13 22.26.25 667 876 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 18.19% 22.643 18.19%	- DBSA (LALF)		505	13.4070	656 839	23 988	23 988	47 976	143 927	386 060
(LALF) 502 16.19% 1331248 111313 222 625 667 876 17,008 16.19% 1531248 111313 222 625 667 876 17,008 16.19% 164 966 3 774 3 774 3 774 48 7019 1461057 167 003 16.1057 16.50% 644 066 3 774 3 774 47 807 48 7019 1461057 22 643 50 16.50% 644 066 3 774 43 807 48 7019 1461057 22 643 50 16.50% 1702 184 43 807 47 365 94 731 22 643 52 64	- DBSA (I.AI.F)			14.75%	1 848 177	24 511	24 511	49 023	147 069	100000
CALE Color	- DBSA (1 AI E)		205	16.19%	1 331 248	111 313	111 313	200 606	900 / 41	1 603 064
LALF 505 15.00% 2 752 416 243 509 243 509 487 019 1461 057 506 16.50% 644 066 3 774 3 774 7 548 22 643 507 16.50% 1 702 184 47 365 47 365 94 731 22 643 508 16.50% 1 702 184 47 365 94 731 22 84 39 142 377 CALF 512 16.19% 214 834 5 911 11 822 23 471 22 84 39 CALF 512 16.19% 261 940 8 432 6 913 11 822 33 467 CALF 514 16.19% 261 940 8 432 6 941 18 28 47 18 847 CALF 515 16.19% 261 940 8 432 6 941 208 94 19 80 94 CALF 51 16.00% 1 398 154 5 911 18 82 19 80 94 19 80 94 10 80 94 10 80 94 10 80 94 10 80 94 10 80 94 10 80 94 10 80 94 10 80 94 10 80 94 <t< td=""><td></td><td></td><td>203</td><td>16.19%</td><td>164 958</td><td>1 357</td><td>1357</td><td>270 777</td><td>0/9/00</td><td>218 123</td></t<>			203	16.19%	164 958	1 357	1357	270 777	0/9/00	218 123
CALE Solution So	4990		505	15.00%	752	243 509	243 500	41/7	8 143	151 387
(LALF) 507 16.50% 1 088 581 47 365 47 365 97 71 7548 22 643 (LALF) 508 16.50% 1 702 184 47 365 94 731 284 192 1 (LALF) 512 16.50% 1 702 184 47 365 94 731 284 192 1 (LALF) 512 16.19% 261 940 8 432 8 432 8 432 8 432 38 482 35 467 (LALF) 514 16.19% 261 940 8 432 <td>- DBSA</td> <td></td> <td>206</td> <td>16.50%</td> <td>644 066</td> <td>3 774</td> <td>400 CF2</td> <td>48 / 019</td> <td>1 461 057</td> <td>317 321</td>	- DBSA		206	16.50%	644 066	3 774	400 CF2	48 / 019	1 461 057	317 321
(LALF) 508 16,50% 1,000,000<	- DBSA		507	16.50%	1 088 581	100 07	4//0	7 548	22 643	606 328
(LALF) 509 16.50% 17.51 104 47.355 94.731 284 192 1 (LALF) 512 16.19% 214 84 5911 11822 35.467 427 132 (LALF) 514 16.19% 261 940 8 432 14822 35.467 (LALF) 515 16.50% 744 199 34.820 69 641 50.8923 (LALF) 522 16.50% 744 199 34.820 69 641 50.8923 (LALF) 522 15.60% 1338 154 32.134 61.32 16.869 190.476 (LALF) 523 16.00% 18.889 572 681 741 61.132 61.132 122.263 366 790 (LALF) 524 16.00% 18.889 572 681 741 681 741 681 741 681 741 681 741 136.886 365 8677 1976 031 248 100 (LALF) 525 15.25% 8.74 636 339 856 398 856 799 712 2399 136 4416 198 539 8	- DBSA		508	16 50%	1 702 164	45 00/	43 807	87 614	262 843	650 510
(LALF) 512 16.19% 8/3 2/1 71 189 71 189 142 377 427 132 (LALF) 514 16.19% 214 834 5911 11822 35 467 (LALF) 514 16.19% 261 940 8 432 16 864 50 592 (LALF) 515 16.25% 744 199 34 820 34 820 69 641 208 923 (LALF) 521 16.25% 953 511 15 079 30 159 90 476 (LALF) 522 15.50% 1398 154 32 134 64 269 192 806 (LALF) 523 16.00% 1054 147 61 132 61 132 64 269 192 806 (LALF) 523 16.00% 18 88 572 681 741 681 741 136 348 190 444 12 (LALF) 524 16.00% 18 88 576 594 56 359 856 799 12 2399 136 4 525 15.25% 8 54 56 399 856 799 772 79 754 416 198 <	- DBSA		500	16.50%	1 /02 184	47 365	47 365	94 731	284 192	1 228 530
(LALF) 514 10.19% 261 940 8 432 5 911 11 822 35 467 (LALF) 514 16.19% 261 940 8 432 8 432 16 864 50 592 (LALF) 521 16.25% 953 511 15 079 30 159 90 476 (LALF) 522 15.50% 1 398 154 32 134 32 134 64 269 192 806 (LALF) 523 16.00% 1 054 147 61 132 61 132 122 263 366 790 (LALF) 524 16.00% 18 889 572 681 741 1 363 481 4 090 444 12. (LALF) 524 16.00% 18 889 572 681 741 61 132 122 263 366 790 (LALF) 524 16.00% 18 889 572 681 741 61 132 173 481 4 090 444 12. (LALF) 525 15.25% 8 545 762 329 338 658 677 1 976 031 2. 526 15.25% 8 595% 28 147 937 386 585	- DBSA (LALF)		512	16 100/	6/35//	71 189	71 189	142 377	427 132	161 690
(LALF) 515 16.50% 744 199 34 820 8 432 16 864 50 592 (LALF) 521 10.25% 744 199 34 820 34 820 69 641 208 923 (LALF) 522 15.50% 1 398 154 32 134 64 269 192 806 1 523 16.00% 1 889 572 681 741 661 132 61 132 63 366 790 (LALF) 523 15.50% 1 889 572 681 741 681 741 1363 481 4 090 444 122 526 15.25% 524 596 598 568 799 712 2 399 136 586 799 712 2 399 136 586 799 712 2 399 136 586 799 712 2 399 136 589 586 589 586 589 586 589 586 589 586 589 586 589 586 589 586 589 586 589 586 589 589 586 589 589 589 589 589 589 589 589 589 589	- DBSA (LALF)		217	10.19%	214 834	5 911	5 911	11 822	35 467	155 772
(LALF)	- DBSA (LALF)			10.19%	261 940	8 432	8 432	16864	50 502	177 (20
(LALF) 522 15.50% 1398 154 32 134 64 269 192 806 1 522 15.50% 1 398 154 32 134 64 269 192 806 523 16.00% 1 054 147 524 16.00% 1 889 572 681 741 681 741 525 15.25% 5 945 762 329 338 658 677 1 976 031 526 15.25% 8 574 636 399 856 773 170 521 11.185% 28 147 937 386 585 773 170 522 29 839 11420 60 990 60 990 522 429 16.00% 1 88.995% 1 600 953 524 29 16.00% 1 11.420 524 29 16.00% 1 11.420 525 15.25% 8 524 29 526 15.25% 8 574 636 399 856 773 170 527 429 11420 11420 120 8198 528 441 60 953 528 442 160 954 528 442 160 9	- DBSA (LALF)		CIC	16.50%	744 199	34 820	34 820	69 641	266.06	177 620
(LALF) 522 15.50% 1398 154 32 134 64 269 192 806 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	- DBSA (LAIE)		175	10.25%	953 511	15 079	15 079	30 150	200 923	392 994
(LALF) 523 16.00% 1 054 147 61 132 61 132 122 263 366 790 152.806 152.50	- DBSA (TATE)		27.5	15.50%	1 398 154	32 134	32 134	64.760	100 001	802 718
524 16.00% 18 889 572 681 741 681 741 1363 481 306 790 525 15.25% 5 945 762 329 338 329 338 658 677 1 976 031 526 15.25% 8 574 636 399 856 399 856 799 712 2 399 136 531 11.185% 28 147 937 386 585 386 585 773 170 2 319 510 539 8.995% 475 705 14 877 29 754 416 198 540 8.995% 529 839 11 420 12 89 541 8.995% 660 159 60 990 60 990 121 981 542 8.995% 1 609 953 52 429 104 858 1 400 937			523	16.00%	1 054 147	61 132	61 132	122 262	192 806	1 076 810
525 15.25% 5 945 762 329 338 329 338 658 677 4 090 444 1 526 15.25% 8 574 636 399 856 399 856 799 712 2 399 136 531 11.185% 28 147 937 386 585 398 856 799 712 2 399 136 538 8.995% 475 705 14 877 29 754 416 198 540 8.995% 300 370 52 429 52 429 104 858 90 654 541 8.995% 660 159 66 990 11 420 22 840 484 160 542 8.995% 1609 953 52 429 104 858 90 654 542 8.995% 1609 953 52 429 104 858 1400 937	~		524	16.00%	18 889 572	681 741	681 741	1362 401	360 790	442 830
526 15.25% 8 574 636 399 856 399 856 799 712 2 399 136 531 11.185% 28 147 937 386 585 399 856 773 170 2 399 136 538 8.995% 475 705 14 877 29 754 416 198 540 8.995% 300 370 52 429 52 429 104 858 541 8.995% 660 159 60 990 60 990 121 981 416 198 542 8.995% 1609 953 52 429 52 429 104 858 90 654 541 8.995% 660 159 60 990 121 981 416 198 542 8.995% 1609 953 52 429 104 858 1400 327	- DBSA		525	15.25%	5 945 762	329 338	320 338	199 505 1	4 090 444	12 072 165
531 11.185% 28 147 937 386 585 386 585 386 585 386 585 773 170 2 399 136 538 8.995% 475 705 14 877 14 877 29 754 416 198 540 8.995% 300 370 52 429 52 429 104 858 90 654 541 8.995% 660 159 60 990 60 990 121 981 416 198 542 8.995% 1609 953 52 429 104 858 90 654	- DBSA		526	15.25%	8 574 636	399 856	200 055	1/0 000	976	2 652 378
538 8.995% 475 705 14 877 14 877 29 754 416 198 539 8.995% 300 370 52 429 52 429 52 429 416 198 540 8.995% 529 839 11 420 11 420 22 840 484 160 541 8.995% 660 159 60 990 60 990 121 981 416 198 542 8.995% 1609 953 52 429 164 858 1400 227	- DBSA		531	11.185%	28 147 937	386 585	397 030	799 712	399	4 576 077
539 8.995% 300 370 52 429 52 429 52 429 14 877 29 754 540 8.995% 529 839 11 420 11 420 22 840 541 8.995% 660 159 60 990 60 990 121 981 542 8.995% 1 609 953 52 429 121 981	"DBSA		538	8.995%	475 705	14 077	200 283	773 170	319	24 282 087
540 8.995% 529 839 11 420 11 420 12 840 541 8.995% 660 159 60 990 60 990 121 981 542 8.995% 1 609 953 52 429 104 858	- DBSA		539	8 995%	200 270	1/0 1/0	14 8//	29 754	416 198	
541 8.995% 660 159 60 990 60 990 121 981 542 8.995% 1 609 953 52 429 52 429 104 858	- DBSA		540	8 995%	520 620	52 429	52 429	104 858	90 654	'
542 8.995% 1 609 953 52 429 52 429 104 858	- DBSA		541	% 500 8	227 039	11 420	11 420	22 840	484 160	1
52 429 104 858 1	- DBSA		542	8 995%	1 600 052	066.09	066 09	121 981	416 198	'
- 22			7:	0.22270	1 009 933	52 429	52 429	104 858	1 400 237	ı

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 KOUGA LOCAL MUNICIPALITY

Liquidity Risk Management (continued)

Description	Note ref in	Loan	Average	Total	6 Months	6-12	1-2	2-5	More than
	AFS		Interest Rate	10141	or less	Months	7	į	
	#		%	×	R	R	rears	Years	5 Years
						*	4		x
- DBSA - DBSA - DBSA - DBSA - DBSA - Inca Redemption Fund		543 544 545 545 548 379 380 381 517 518 530	9.27% 9.27% 9.27% 9.27% 15.50% 15.20% 15.20% 16.80% 11.60%	4 541 705 3 885 712 1 313 033 800 948 30 375 342 570 580 1 727 675 1 204 728 5 646 172 4 210 448 2 666 626 11 684 007	125 452 294 510 84 273 42 136 1 155 884 285 290 767 763 384 299 4 848 750 3 771 250 447 966 1 164 028	125 452 294 510 84 273 42 136 1 212 585 285 290 959 912 384 299 398 711 219 599 447 966 1 164 028	250 904 589 020 168 545 84 273 3 383 002 - 410 196 398 711 219 599 895 933 2 328 057	752 711 1 767 059 505 636 252 818 15 288 246 - 25 934 874 761 6 984 170	3 287 187 940 613 470 307 379 584 9 335 625 - - - - - -
				214 143 633				•	
				CC0 747 177	09 917 799	9 244 461	15 855 370	49 177 840	006 968 69

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 KOUGA LOCAL MUNICIPALITY

Liquidity Risk Management (continued)

		3			•						28 604 512	210 000 02	0/9 70	001.001.0	244 100	344 188	1 063 405	69 322	27 946	110 437	6 004	26 192	83 396	11 163	32 421	119 939	122 557	556 563	6 786	1 217 548	18 869	219 036	226 022
		'		P65 901						106 594	52451 906	77.061	2 284	7 553 720	712	020 214	92 034	32 535	127 525	132 323	507 /	31 450	100 075	13 396	38 905	143 927	147 068	928 299	8 143	1 461 057	22 643	262 843	284 102
	-			379 471	198 975		3 913	37 646	40 542	98 394	14 602 973	25 687	24 480	851 240	137 675	425 362	27 070	11 178	44 175	2407	10 477	1/401	33 338	4 465	12 968	47 976	49 023	222 625	2 7 14	487 019	7 548	87 614	94 731
				249 817	132 381	14 383	19 105	17 375	17 375	49 197	7301486	12 843	12 240	425 620	68 838	212 681	13 989	5 589	22 087	1 201	5 238	16 670	2 2 2 3	6 494	+0+0	23 988	24 511	111 313	1 357	243 509	3 774	43 807	47 365
	28 966 241	31 867 061	6314570	249 817	132 381	14 383	19 105	17 375	17 375	49 197	7301 486	12 843	12 240	425 620	68 838	212 681	13 989	5 589	22 087	1 201	5 238	16 679	2 2 3 3	6 484	23.000	23 700	24 511	111 313	1 357	243 509	3 774	43 807	47 365
	28 966 241	31 867 061	6 314 570	985 698	463 737	28 766	42 124	72 397	75 293	303 382	110 262 364	211 311		6 384 300	1 032 564		209 211	83 839	331 312	18 012	78 576	250 189	33 489	97 262	359.818	367 670	1 660 680	1 000 089	2 650 643	0	20 008	210 108	110480
				,	14.00%	15.41%	14.49%	14.00%	14.00%	14.00%	,	14.50%	14.25%	12.00%	12.00%	12.00%	15.22%	15.22%	15.22%	15.22%	15.22%	15.77%	15.77%	13.46%	13.46%	14.75%	16 19%	16.10%	15.00%	16.50%	16.50%	16.50%	40.00.0
				223	233	534	535	236	537	74/	002	220	515	145	146	147	485	489	490	492	494	495	496	498	499	501	502	503	505	205	507	508	
!		» °	•																														
30 June 2009	Non-interest Bearing	- Consumer Deposite	Variable Interest Rate Instruments	- Wesbank - sewerage triple	Weshank DOS	o O d Jackson -	- Weshank - Health	Weshank - Health	- Weshank	Fixed Interest Rate Instruments	- Absa	- ASDR	- DBSA	- DBSA	- DBSA	- DBSA (1 ATE)	ンマ	- DBSA (TATE)					_			- DBSA (LALF)	- DBSA (LALF)	- DBSA (LALF)	- DBSA	- DBSA	- DBSA	- DBSA	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 KOUGA LOCAL MUNICIPALITY

Liquidity Risk Management (continued)

	Note	Loan	Average		6 Months	6-12	1-2	7.5	Money than
Description	ref in	Number	effective	Total			1	1	IMOLE UIAD
	AFS		Interest Rate		or less	Months	Years	Years	5 Vears
	#±		%	×	R	æ	×		R
- DBSA		200	16 5002	1 052 020		ļ			
- DBSA (LALF)		512	10.20%	1 00/ 630	/1 189	71 189	142 377	427 132	355 943
- DBSA (TATE)		212	16.19%	88 667	5 911	5 911	11 822	35 467	29 555
- DBSA (LALF)		514	16.19%	126 480	8 432	8 432	16 864	50 592	091 CV
- DSSA (LALF)		515	16.50%	201 224	13 415	13 415	26 830	80 480	091 24
- DBSA (LALF)		521	10.25%	226 189	15 079	15 079	30 150	00 487	0/0/4
- DBSA (LALF)		522	15.50%	482 016	32 134	32 134	50 139	30.476	75 397
- DBSA (LALF)		523	16.00%	916 975	61 132	61 132	122 263	192 806	160 672
- DBSA (LALF)		524	16.00%	10 226 110	681 741	172 129	1 262 401		
- DBSA		525	15.25%	913 169	60.878	14/ 100	103 461	4 090 444	3 408 703
- DBSA		526	15.25%	\$ 007 820	0/0000	8/8 00	121 756	365 268	304 390
- DBSA		53.1	70561 11	12.00.00	399 836	399 856	799 712	2 399 136	1 999 280
- DBSA		620	9,000,0		386 385	386 585	773 170	2 3 19 5 10	8 530 509
- DBSA		020	6.995%	119 014	14 877	14 877	29 754	59 507	
. DBSA		939	8.995%	419 432	52 429	52 429	104 858	209 716	
L DBCA		240	8.995%	91 359	11 420	11 420	22 840	45 679	
- DBSA		241	8.995%	487 922	066 09	066 09	121 981	243 961	
- DBSA		242	8.995%	419 432	52 429	52 429	104 858	209 716	
DBSA		543		1 756 326	125 452	125 452	250 904	752 711	501 807
- DBSA		544	9.27%	4 123 139	294 510	294 510	589 020	1 767 059	1 178 040
- LBSA		545	9.27%	1 179 817	84 273	84 273	168 545	505 636	227 001
- Inca Dadametica Ened		546	9.27%	289 909	42 136	42 136	84 273	252.818	168 545
- Inca Redemption Eura		379	15.50%	5 240 000	310 000	310 000	620 000	4 000 000	200
		380	15.50%	10 057 040	594 978	594 978	1 189 955	7 677 130	
- Inca Redemetica Bund		381	15.20%	2 690 093	384 299	384 299	768 598	1 152 897	
- Inca Redomption Bund		517	15.50%	6 243 750	348 750	348 750	. 697 500	4 848 750	
NO A		218	16.80%	4 856 250	271 250	271 250	542 500	3 771 250	
INCA		530	12.60%	3 583 731	447 966	447 966	895 933	1 791 866	
Financial Guarantee Contracte		255	11.16%	16 296 396	1 164 028	1 164 028	2 328 057	6 984 170	4 656 113
				•	1	,	1	t	ļ
				140 214 303	36 217 244				
				1 COC + 17 O+1	30 31 / 344	/ 551 303	14 982 444	52 558 500	28 604 512

APPENDIX A

KOUGA LOCAL MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2010

	Onimin	1		TATAL TOTAL TO	TAL DOMING	A3 A1 30 J	UINE 2010	
	Oliginal	1Sə_jalux	Loan			Received	Redeemed/	
Details	Loan	Rate	Number	Redeemable	Balance at	during	Written Off	Ralancoat
	Amount				30/06/2008	the year	during Period	30/06/2000
ANNUITY LOANS	×	%			æ	æ	×	R
ABSA ABSA Total ABSA	166 000	14.50%	528	30/11/2016	125 811	1	(966 8)	116815
ASDR ASDR Total ASDR	150 000	14.25%	513	30/12/2011	42 962	1 1	(10 913)	32 049
DBSA DBSA	33 112 638	14.61%	145 - 147, 485,489 - 490,492,494 - 496,498 - 499,501 - 503, 505 - 509, 512, 514 - 515, 521 - 526	30/09/2016	26 091 722		(2 104 618)	23 987 104
DBSA DBSA DBSA DBSA Total DBSA	6 128 561 1 600 000 6 000 000 20 000 000 66 841 199	8.995% 9.265% 11.180%	531 538 - 542 543 - 546 548	30/09/2024 31/03/2013 31/03/2016 30/06/2017	5 705 396 1 333 634 5 465 112 - - 38 595 864	20 000 000	(149 400) (290 865) (585 592) (3 130 476)	5 555 996 1 042 769 4 879 520 20 000 000 55 465 388

APPENDIX A

KOUGA	KOUGA LOCAL MUNICIPALITY: S	VICIPAL	ITY: SCHEDULE	CHEDULE OF EXTERNAL LOANS AS AT 30, HINE 2010	VAL LOANS	AS AT 30 T	010C HVI		
	Original	Interest	Loan			Received	Redeemed/		
Details	Loan Amount	Rate	Number	Redeemable	Balance at	during	Written Off	Balance at	
	×	%			100000	tue year	auring Feriod	30/06/2009	
INCA					2	¥	~	×	
Inca Redemption Fund	4 000 000	15.50%	379	30/06/2011	7 000 000				
Inca Redemption Fund	7 677 130	15.50%	780	20/00/2011	4 000 000	•	•	4 000 000	
INCA	4 000 000	15 20%	000	30/00/2011	7 677 130	•	1	7 677 130	
Inca Redemption Fund	4 500 000	15 5097	JøI	31/12/2012	2 027 611	1	(477 657)	1 549 954	
Inca Redemption Fund	3 500 000	15.50%	517	30/06/2011	4 500 000	1	1	4 500 000	
INC A	2 300 000	10.80%	518	30/06/2011	3 500 000	ı	•	3 500 000	
INCA Bulb water	000 000 5	13.00%	530	30/06/2013	2 748 075	•	(566 759)	2181317	
Total INCA	13 000 000	11.160%	532	30/06/2016	11 103 179	1	(1 118 792)	9 984 387	
Total Miles	41 67/ 130				35 555 995		(2 163 208)	33 307 787	
T							(6)	101 775 101	
Total Alliulty Loans	108 834 329				74 320 632	20 000 000	(5 313 593)	89 007 039	
CAPITALISED LEASE LIABILITIES:	ITIES:								
Wesbank									
Wesbank - sewerage trucks	922 982	14.00%	533	79/02/2011					
Wesbank - P.O.S	107 520	15 409%	537	26/02/2011	391 600	1	(215 899)	175 701	
Wesbank - P.O.S	133 046	14 489%	535	30/06/2010	27 047	ı	(27 047)	0	
Wesbank - Health	119 350	14.00%	525	31/08/2010	38 784	ľ	(32 986)	5 798	
Wesbank - Health	119 350	14 00%	530	31/07/2008	59 536	•	(27 132)	32 404	
Wesbank	420 215	14 000%	537	31/08/2011	61 822	1	(26 981)	34 841	
Total Wesbank	1 822 463		7+0	31/0//2012	257 534	1	(75 540)	181 994	
				_ #	836 322		(405 584)	430 738	
Leased assets - TMT Services									
and Supplies (Pty) Ltd	535 000				11 924	•		9	
							•	1 07.4	

APPENDIX A

KOUGA LOCAL MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 HINF 2010

			THE THE CALL OF EASTERNAME LOANS AS AT 30 JUNE 2010	THE TOTAL	CATA POPUNS	A3 A1 30 J	JNE 2010	
	Original	Interest	Loan			Received	Redeemed/	
Details	Loan	Rate	Numher	Redeemable	Balance at	during	Written Off	Rolomonat
	Amount				30/06/2008	the year	during Doring	20,000 at
	Y	%			-	- 1 cm	חמו זוול ז בו זמח	30/00/7003
		†			¥	¥	2	~
Operating leases reclassified as finance leases	nance leases				4 393 530	21 626 635	(5 278 159)	20 742 006
							(/22/2/2)	000 71 07
Total canitalised lease liabilities	2 257 463			•				
Chert and Present Section 1166 Charles Charles Chert	CO# 100 4				5 241 776	21 626 635	(5 683 743)	21 184 668
TOTAL EXTERNAL LOANS	111 191 792							
	771 772 773				79 562 408	41 626 635	(10 997 336)	110 191 707

APPENDIX B
KOUGA LOCAL MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2010

			Cost / Revaluation	valuation				Acoun	autoted Dans	1.2			
Description	Opening	Adjustments	Adjusted	47,500		Closino	Onening	Adinotant	nulated Depre	Accumulated Depreciation / Impairment	ment		Carrying
	Balance		O/balance	Additions	Disposals	Balance	Salance	Aujustments	Adjusted O/Balance	Additions	Disposals	Closing	;
	æ	~	R	æ	~	~	2	a	4			Balance	Valuc
Infrastructure					1	(4	4	¥	¥	<u>~</u>	æ	R
Access control	83 017	0	83 017			83 017	1 139	0 740	10 070				
Car parks	2 025 788	(584 170)	1 441 618			1 441 618	946 883	09)	275 673			10 879	72 139
Fencing	1 408 388	0	1 408 388	842		1 409 230	613 263	(413 780)	343 072			345 672	1 095 946
Footways	1 561 901	0	1 561 901			1 \$61 901	1 201 424	(1 000 223)	199 483			199 483	1 209 747
Electricity Mains	13 714 930	0	13 714 930	980 000		14 694 930	132 600		202 053			202 053	1 359 849
Water Mains	25 670 954	(2 796 860)	22 874 094			22 874 094	63 010		309 119			309 119	14 385 812
Water Meters	235 775	0	235 775			735 775	05 719		209 716			209 716	22 664 379
Electricity Meters	360 076	0	360 076			350 035	C21	68/ 11	11 913			11 913	223 861
Paving	6 095 104	(6 006 618)	88 486			900 000	109 082		108 346			108 346	251 729
Purification works	11 241 811	(5 691 892)	5 549 920			000 073 5.	88 480		0		.,	0	88 486
Other roads	44 012 866	(3 268 777)	40 744 088			AD 744 000	C90 9C9 I	(424 393)	1 434 272			1 434 272	4 115 648
Outfall Sewers	5 119 244	(2 693 941)	2 425 303			2 425 303	709 666 07	(\$61.505.71)	9 434 697			9 434 697	31 309 391
Reservoirs	3 925 502	1 120 218	5 045 720			5 045 720	0 1 1 2 5 1 5 6	0 1 660	0			0	2 425 303
Runways	50 000		20 000			02/ 040 0	801 071 1	200	123 439			123 439	4 922 281
Security system	390 971	0	390 921	82.054		20 000	76 788		29 288			29 288	20 712
Sewers	77 097 939	6 140 955	83 238 803	t CO 70		4/3 025	107 003	57 720	164 723			164 723	308 302
Sewerage pumps	10 475 082	(5 526 142)	4 948 940			4 040 040	29 947 931	(19 285 408)	10 662 523			10 662 523	72,576,370
Street lighting	1 674 247	0	1 674 247	37 680		4 748 940	3 083 590	(2 247 567)	836 023			836 023	4 112 917
Tools		0	0	600 76		1 /11 936	352 198	(285 702)	96 4 96			66 496	1 645 441
Taxiways	408 562	(408 562)	0				1	0 0	0		_	0	0
Electricity Reticulation	49 323 730	1 475 029	50 798 760			072 002 05	010 010	0 :	0			0	0
Water Reticulation	41 045 819	(4 540 739)	36 505 080			36 505 000	30 018 810	(19 583 634)	10 435 177			10 435 177	40 363 583
Stornwater drains	2 839 009	0	2 839 009			20 202 080	1 779 (50	(18 016 934)	5 887 850			5 887 850	30 617 230
Switchgear equipment	34 163	0	34 163			34 163	73.050	=	1 079 284			1 079 284	1 759 724
Traffic islands	33 885	0	33 885			33 885	33 885	(01 0)	17834			17 834	16 328
Traffic lights	150 309	0	150 309			150 309	140 109		0 7			0	33 885
	000000000000000000000000000000000000000						0	(cor corr)	+71 O			6 124	144 185
	7/06/6867	(27 781 499)	276 197 573	1 100 585	0	277 298 158	122 210 012	(80 635 101)	41 574 911	0	0	41 574 011	0
												113/4/614	147 (7) (67
Community Assets													
Beach development	3 333 744	0	3 333 744			3 333 744	2.290.986	(1 301 305)	100 701				
Bowling greens	102 081	0 (102 081			102 081	102 081	(102 081)	0			989 781	2 343 963
Care centres	1 211 050		0			0	0	272 306	272 306			205 026	180 201
Cemeteries	330 340	5 C	1 211 068			1 211 068	1 211 068	(1 211 068)	0			005 7/7	(2/2 306)
Cemetery	0	0	339 340			339 340	302 496	(22 251)	280 245			280 245	59 065
Clinics	3 137 115	(1 946 161)	1 190 953			1 100 001	0	0	0			0	0
			22.22			1 190 933	1 006 915	(934 994)	71 920			71 920	1 119 033